SUPREME COURT OF THE UNITED STATES.

No. 254.—October Term, 1925.

Joseph P. Margolin, Petitioner, *vs.* The United States of America.	On Writ of Certiorari to the United States Circuit Court of Appeals for the Second Circuit.

[November 16, 1925.]

Mr. Justice McReynolds delivered the opinion of the Court.

An Act of Congress approved September 2, 1914, c. 293, 38 Stat. 711, provided for a Bureau of War Risk Insurance in the Treasury Department, directed it to insure American vessels, their freight, passage money and cargoes against war risks, and further authorized it to prescribe necessary rules and regulations. This was amended June 12, 1917, c. 26, 40 Stat. 102, so as to provide insurance for masters, officers and crews of American vessels; and the following new section was added—

> Sec. 5a. No claim agent or attorney shall be entitled to receive any compensation whatever for services in the collection of claims against the Bureau of War Risk Insurance for death, personal injury, or detention, except when proceedings are taken in accordance with section five in a district court of the United States, in which case the judge shall, as a part of his determination and order, settle and determine the amount of compensation not to exceed ten per centum of amount recovered, to be paid by the claimant on behalf of whom such proceedings are instituted to his legal adviser or advisers, and it shall be unlawful for any lawyer or other person acting in that behalf to ask for, contract for, or receive any larger sum than the amount so fixed.

An Act approved October 6, 1917, c. 105, 40 Stat. 398, again amended the original Act, provided for Divisions of Marine and Seamen's Insurance and of Military and Naval Insurance, made definite provision for insuring members of the military and naval forces, and added another new section—

Sec. 13. That the director, subject to the general direction of the Secretary of the Treasury, shall administer, execute, and enforce the provisions of this Act, and for that purpose have full power and authority to make rules and regulations, not inconsistent with the provisions of this Act, necessary or appropriate to carry out its purposes, and shall decide all questions arising under the Act, except as otherwise provided in sections five and four hundred and five. Wherever under any provision or provisions of the Act regulations are directed or authorized to be made, such regulations, unless the context otherwise requires, shall or may be made by the director, subject to the general direction of the Secretary of the Treasury. The director shall adopt reasonable and proper rules to govern the procedure of the divisions, to regulate the matter of the compensation, if any, but in no case to exceed ten per centum, to be paid to claim agents and attorneys for services in connection with any of the matters provided for in articles two, three, and four, and to regulate and provide for the nature and extent of the proofs and evidence and the method of taking and furnishing the same in order to establish the right to benefits of allowance, allotment, compensation, or insurance provided for in this Act, the forms of application of those claiming to be entitled to such benefits, the method of making investigations and medical examinations, and the manner and form of adjudications and awards.

An Act approved May 20, 1918, c. 77, 40 Stat. 555, amended Sec. 13, above quoted, so that it should provide—

Sec. 13. That the director, subject to the general direction of the Secretary of the Treasury, shall administer, execute, and enforce the provisions of this Act, and for that purpose have full power and authority to make rules and regulations not inconsistent with the provisions of this Act, necessary or appropriate to carry out its purposes, and shall decide all questions arising under the Act, except as otherwise provided in section five. Wherever under any provision or provisions of the Act regulations are directed or authorized to be made, such regulations, unless the context otherwise requires, shall or may be made by the director, subject to the general direction of the Secretary of the Treasury. The director shall adopt reasonable and proper rules to govern the procedure of the divisions and to regulate and provide for the nature and extent of the proofs and evidence and the method of taking and furnishing

the same in order to establish the right to benefits of allowance, allotment, compensation, or insurance provided for in this Act, the forms of application of those claiming to be entitled to such benefits, the methods of making investigations and medical examinations, and the manner and form of adjudications and awards: *Provided, however,* That payment to any attorney or agent for such assistance as may be required in the preparation and execution of the necessary papers shall not exceed $3 in any one case: *And provided further,* That no claim agent or attorney shall be recognized in the presentation or adjudication of claims under articles two, three, and four, except that in the event of disagreement as to a claim under the contract of insurance between the bureau and any beneficiary or beneficiaries thereunder an action on the claim may be brought against the United States in the district court of the United States in and for the district in which such beneficiaries or any one of them resides, and that whenever judgment shall be rendered in an action brought pursuant to this provision the court, as part of its judgment, shall determine and allow such reasonable attorney's fees, not to exceed five per centum of the amount recovered, to be paid by the claimant in behalf of whom such proceedings were instituted to his attorney, said fee to be paid out of the payments to be made to the beneficiary under the judgment rendered at a rate not exceeding one-tenth of each of such payments until paid.

Any person who shall, directly or indirectly, solicit, contract for, charge, or receive, or who shall attempt to solicit, contract for, charge, or receive any fee or compensation, except as herein provided, shall be guilty of a misdemeanor, and for each and every offense shall be punishable by a fine of not more than $500 or by imprisonment at hard labor for not more than two years, or by both such fine and imprisonment.

An Act approved August 9, 1921, c. 57, 42 Stat. 147, provided for the establishment of the Veterans' Bureau, with "the functions, powers and duties conferred by existing law upon the Bureau of War Risk Insurance."

Petitioner was found guilty under an indictment which charged that he unlawfully received fifteen hundred dollars as a fee and compensation for services in preparing and presenting to the United States Veterans' Bureau an affidavit executed by Yetta Cohen in support of her claim for insurance money provided for by the Act approved October 6, 1917, and amendments thereto.

The trial court imposed a fine of two hundred and fifty dollars and its judgment was affirmed by the Circuit Court of Appeals. 3 Fed. (2d) 602.

It appears that Yetta Cohen retained petitioner, a member of the bar, to press allowance of her claim as a beneficiary designated in a policy issued to her nephew under the War Risk Insurance Act. He corresponded with the Veterans' Bureau, made one trip from New York to Washington where he examined records and interviewed officials, and prepared the necessary papers. It may be assumed that his services were useful and of some substantial value. For them he demanded two thousand dollars and received fifteen hundred. The exceptions raise the questions whether Sec. 13, Act of May 20, 1918, forbids an attorney from charging more than three dollars for any services rendered a beneficiary in respect of a claim under the War Risk Insurance Act when no action in court has been instituted; and whether if so construed that section offends the Fifth Amendment.

Petitioner claims that the inhibition against receiving any sum greater than three dollars relates solely to the clerical work of filling out the form or affidavit of claim and does not apply to useful investigation and preparatory work such as he did. He insists that this view is supported by the reports of the committees of the Senate and House of Representatives which recommended passage of the bill, also by a communication from the Secretary of the Treasury, incorporated therein. See S. Rep. 429 and H. Rep. 471, 65th Cong., 2d Sess.

We find no reason which would justify disregard of the plain language of the section under consideration. It declares that any person who receives a fee or compensation in respect of a claim under the Act except as therein provided shall be deemed guilty of a misdemeanor. The only compensation which it permits a claim agent or attorney to receive where no legal proceeding has been commenced is three dollars for assistance in preparation and execution of necessary papers. And the history of the enactment indicates plainly enough that Congress did not fail to choose apt language to express its purpose.

The validity of Sec. 13 construed as above indicated, we think, is not open to serious doubt. *Calhoun* v. *Massie*, 253 U. S. 170.

The judgment of the court below must be

Affirmed.

Mr. Justice BRANDEIS took no part in the consideration or determination of this cause.